## Message Text

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TAGS: ETRD, GATT

SUBJECT: GATT ANTIDUMPING COMMITTEE -- U.S. COMMENTS ON REVISED INVENTORY

SUMMARY: FOLLOWING ARE THE U.S. COMMENTS ON THE REVISED INVENTORY OF PROBLEMS AND ISSUES ARISING UNDER THE ANTI-DUMPING CODE (COM.AD/W/56) WHICH ARE DIVIDED INTO TWO SECTIONS. THE FIRST SECTION LISTS THE TECHNICAL CHANGES THAT WE WOULD LIKE TO HAVE MADE IN THE TEXT OF THE REVISED INVENTORY. THE SECOND SECTION LISTS THE MOST IMPORTANT ADDITIONAL AREAS WHICH THE U.S. BELIEVES SHOULD BE DISCUSSED WITHIN THE COMMITTEE. MISSION IS REQUESTED TO CONVEY LIMITED OFFICIAL USE

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THESE COMMENTS TO GATT SECRETARIAT. U.S. COMMENTS ON THE DRAFT MINUTES OF THE OCTOBER MEETING WILL BE CABLED ASAP.

U.S. SUGGESTED CHANGES

.....IN REVISED INVENTORY

PAGE 5, LINE 12

ADD: "POSITION D" SUCH PRODUCTS ARE COVERED BY THE CODE, EVEN THOUGH IT IS OFTEN DIFFICULT TO DETERMINE A BASIS FOR FAIR VALUE COMPARISONS (COM.AD./30, PARA. 35)."

PAGE 6, BOTTOM OF PAGE

ADD: "POSITION D" WHERE SALES AT LESS THAN THE COST OF PRODUCTION HAVE BEEN MADE OVER AN EXTENDED PERIOD OF TIME AND IN SUBSTANTIAL QUANTITIES, AND ARE NOT AT PRICES PERMITTING RECOVERY OF ALL COSTS WITHIN A REASONABLE PERIOD OF TIME IN THE NORMAL COURSE OF TRADE, SUCH SALES SHOULD BE DISREGARDED (COM.AD./37, PARA, 42)."

PAGE 8, LINE 10

ADD: "POSITION C: IN DETERMINING THE QUESTION WHETHER A RELIABLE DOMESTIC PRICE EXISTS, THE AUTHORITIES MAY ALSO CONSIDER WHETHER THE ECONOMY OF THE EXPORTING COUNTRY IS STATE CONTROLLED TO AN EXTENT THAT SALES OR OFFERS OF SALES OF SUCH OR SIMILAR MERCHANDISE IN THAT COUNTRY OR TO THIRD COUNTRIES DO NOT PERMIT A DETERMINATION OF NORMAL VALUE ON THOSE BASES."

PAGE 11, LAST LINE

ADD: "THE NEW NATIONAL PROVISION PROVIDES THAT ADJUSTMENT FOR DIFFERENCES IN MERCHANDISE WILL BE MADE, CONSISTENT WITH DIFFERENCES IN THE COST OF MANUFACTURE, IF IT IS ESTABLISHED THAT ANY PRICE DIFFERENTIAL IS WHOLLY OR PARTLY DUE TO SUCH DIFFERENCES, BUT, WHEN APPROPRIATE, THE AUTHORITIES MAY ALSO CONSIDER THE EFFECT OF SUCH DIFFERLIMITED OFFICIAL USE

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ENCES UPON THE MARKET VALUE OF THE MERCHANDISE."

PAGE 12, LINE 5

AMEND TO READ: "... PROVISIONS: SHORT-TERM FLUCTUATIONS SHOULD BE DISREGARDED AND ..."

PAGE 15, LINE 2

DELETE: "TOO LAX".

PAGE 22, LINE 13

ADD: "(IV) A COMPLAINING MEMBER OF AN INDUSTRY CANNOT BE REQUIRED TO OBTAIN AND SUBMIT DETAILED BUSINESS DATA ON DOMESTIC COMPETITORS, AS THIS WOULD CREATE CONFLICT WITH ANTITRUST PROVISIONS IN EFFECT IN CERTAIN OF THE SIGNATORY COUNTRIES (DRAFT MINUTES, OCTOBER 1976 MEETING, PARA. 60)."

PAGE 23, LINE 10

ADD: "THE COUNTRY CONCERNED NOTED THAT ITS LEGISLATION

PROVIDED FOR A PRELIMINARY REFERRAL TO THE AUTHORITIES HAVING PRIMARY RESPONSIBILITY WITH RESPECT TO THE QUESTION OF INJURY, IN ANY CASE WHERE THERE EXISTED A SUBSTANTIAL DOUBT OF INJURY. THE QUESTION OF INJURY COULD THERE-

FORE BE LOOKED INTO TWICE BEFORE AN INITIATION TOOK PLACE, NOT ONCE AS IN MOST OTHER COUNTRIES, THUS PROVIDING AN EXTRA SAFEGUARD FOR EXPORTERS (COM.AD/37, PARA. 40)."

PAGE 24, LAST LINE

ADD: SAME AS PRECEDING ADDITION

PAGE 25, LINE 13 ET. SEQ. AMEND TO READ:

"POSITION B: (I) IF THE THIRTY-DAY PERIOD FOR A SUMMARY INVESTIGATION IN ONE COUNTRY WERE SHORTENED, IT LIMITED OFFICIAL USE

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26, PARA, 81)."

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MIGHT CAUSE THE INITIATION OF A FULL-SCALE INVESTIGATION WITHOUT AN ADEQUATE SUMMARY INVESTIGATION (COM.AD./26 PARA. 84, COM. AD./37, PARA. 36);

"(II) IF THE SIX-MONTH PERIOD FOR A FULL-SCALE INVESTIGATION IN THE SAME COUNTRY WERE SHORTENED, IT MIGHT PREVENT AN INVESTIGATION FROM BEING PROPERLY CONDUCTED. LACK OF TIME MIGHT LIMIT THE OPPORTUNITIES FOR RESPONDENT FIRMS TO EXPRESS VIEWS OR TO SUBMIT APPROPRIATE INFORMATION (COM.AD./26, PARA. 86)."

PAGE 26, LINE 6
DELETE: "THIRTY DAYS"
PAGE 37, LAST LINE
ADD: TO POSITION B: "THE REOPENING OF AN INVESTIGATION
DISCONTINUED ON THE BASIS OF PRICE ASSURANCES IS NOT THE
INITIATION OF A NEW INVESTIGATION, BUT RATHER IS A
CONTINUATION OF AN INTERRUPTED INVESTIGATION(COM.AD./

- 2. IN ADDITION TO THE ABOVE-NOTED TECHNICAL AMENDMENTS TO THE REVISED INVENTORY ON PROBLEMS AND ISSUES ARISING UNDER THE CODE, THE UNITED STATES BELIEVES THAT THE CURRENT TEXT OF THE INTERNATIONAL ANTI-DUMPING CODE IS DEFICIENT IN CERTAIN RESPECTS AND ANY CONSIDERATION FOR REVISING THE CODE SHOULD INCLUDE, AMONG OTHER THINGS, THE FOLLOWING POINTS:
- 1. ARTICLE 2(D) SHOULD SPECIFICALLY DEAL WITH THE PROBLEM OF DUMPING BY MULTINATIONAL ENTERPRISES.

2. ARTICLE 6 SHOULD MAKE MAND; TORY THE PUBLICATION OF A PUBLIC NOTICE UPON INITIATION OF A FORMAL INVESTIGATION AND, ADMIT NO "SPECIAL REASONS" AGAINST PUBLICATION OF A PUBLIC NOTICE WHEN FINAL DECISIONS ARE MADE.

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3. ARTICLE 8 SHOULD BE QUALIFIED TO APPLY ONLY WHERE PERMITTED BY DOMESTIC LAW.

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4. ARTICLE 10 SHOULD PROVIDE FOR THE IMPOSITION OF PRO-

VISIONAL MEASURES FOR A SIX MONTH PERIOD.

- 5. ARTICLE 11(I) SHOULD PROVIDE FOR ASSESSMENT OF ANTI-DUMPING DUTIES RETROACTIVELY FOR THE PERIOD FOR WHICH PROVISIONAL MEASURES HAVE BEEN APPLIED, IN ALL INSTANCES WHERE THERE HAS BEEN A DETERMINATION OF INJURY OR A THREAT OF INJURY UNLESS THE EXISTENCE OF THE THREAT WAS PREDICATED UPON AN EVENT CERTAIN WHICH HAD NOT YET OCCURRED BY THE DATE OF THE THREAT OF INJURY DETERMINATION.
- 6. THE CODE SHOULD RECOGNIZE THAT INFORMAL MEASURES, NOT PROVIDED FOR BY THE CODE, MAY POSE ANTITRUST PROBLEMS FOR EXPORTING FIRMS IN CERTAIN MEMBER COUNTRIES. KISSINGER

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Subject: GATT ANTIDUMPING COMMITTEE -- U.S. COMMENTS ON REVISED INVENTORY SUMMARY: FOLLOWING ARE THE U.S. COMMENTS

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